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WARN Set Up to Give Early Notice of Layoffs

Note: In light of the number of major layoffs that have occurred nationally and in Arizona in the past few years, articles in the April, May, and June issues of Arizona Economic Trends are looking at several pieces of federal legislation designed to soften the blow — for laid-off workers, as well as local communities — when massive displacement of workers occurs. The articles will look at the functions of the laws, plus their results and effectiveness on a national and statewide basis.

In the April issue, two stories focused on the Mass Layoff Statistics (MLS) program, an eight-year-old, data-collection program that tracks layoffs of 50 or more workers — through unemployment insurance records — in nearly all states and Washington D.C. This month's issue will focus on the Worker Adjustment and Retraining Notification Act (WARN), which took effect in early 1989 and, with some exceptions, requires medium-size and large companies to give early notification to workers and communities when they plan major layoffs or are closing. Then in the June issue, several articles will look at the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA), which also took affect in 1989 and provides job-search skills and retraining for displaced workers as a way to speed their reentry into the workforce.

Second in a series

It's 2 p.m. on a Friday afternoon and XYZ Company has just notified employees that it plans to go out of business as of 5 p.m. today. Rumors had been flying for weeks that XYZ was planning to lay off workers or cease operations, but no official word has come down from management. Most of the company's 500 employees, many with 20 or more years of service, had not prepared — job-search wise or emotionally — for the possibility of losing their jobs, primarily because they always had felt their employment was secure. XYZ, meanwhile, had known for several months that it would be shutting its doors due to declining sales, but did not want to end its operations before it had lined up a buyer for its buildings. Also, the company had feared that by giving advance notice of a plant shutdown, disgruntled employees may not work as hard and that it would cause stressful conditions between workers and management during the final months of operation.

Prior to Feb. 4, 1989, the above scenario — or something close to it — would not have been unusual at many medium-sized and large U.S. companies. Except in two states and where labor and management had prearranged agreements, U.S. businesses had the right to let go workers with no advance warning,[1] although company policies varied across the board; some employers offering generous severance packages, while others gave little or no leave benefits.

But with passage of the Worker Adjustment and Retraining Notification Act (WARN) in August 1988, more commonly known by its acronym, the playing field between medium- and large-sized businesses and their workers — as it related to layoffs — became a little more level. With several exceptions, companies with

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100 or more full-time workers were now required to give advance written notice at least 60 days prior to a permanent plant closure or major layoff. In general, WARN defines a "plant closing" as an employment loss of 50 or more workers at one or more distinct units within a single site within a 30-day period; a "mass layoff" is defined as an employment loss at a single site of 500 workers, or 33 percent of the employees if it involves at least 50 workers, within a 30-day period (see "DOL Brochure Gives Details ... ," p. 3)

"Workers, their families and their communities will now have a better chance to plan for the future," said AFL-CIO President Lane Kirkland after WARN was passed.[2] The director of legislative affairs and human resources at the National Association of Manufacturers, however, warned that the new legislation would hurt medium-sized businesses, who he said often cannot predict what they plan to do two months in advance.[3]

Industry Changes Led to WARN

What provoked Congress to pass an early notification law — which was already required in most European countries and parts of Canada — was primarily due to two reasons: rapid structural changes in the nation's industrial base that occurred in the late 1970s and early '80s, which caused widespread layoffs and plant closings; and a large percentage of U.S. workers affected by those changes who were receiving little or no advance warning before losing their jobs.

Although an early notification law had been introduced in Congress as early as 1973, the idea didn't gain momentum until the mid-'80s when, despite better economic times, a large displacement of workers was still occurring. According to a General Accounting Office (GAO) report, even in the strong economic years of 1983 and 1984 — when U.S. employment growth increased about 5 percent — more than 1 million workers lost their jobs due to business closure or permanent mass layoffs in establishments with more than 100 workers, with another million jobs likely lost in smaller establishments.[4]

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Making matters worse, between January 1979 and January 1984 one-fourth of all displaced workers were without a job for a year or more. And of those returning to work, the majority took a cut in earnings, either through lower wages or acceptance of part-time employment in place of a full-time job.[5]

Concerning advance notification, two major surveys were conducted by federal agencies in the mid-'80s showing a lack of warning time for a good percentage of laid-off workers, although one study painted a much worse picture.

A 1985 survey by the Labor Department's Bureau of Labor Statistics (BLS) showed that in layoffs involving 50 or more workers in seven states it studied, in more than one-half of the events — affecting two-thirds of the workers — no advance notice was given.[6] Meanwhile, a GAO study of companies with 100 or more employees, showed that 24 percent gave no advanced notice to workers involved in layoffs of 100 or workers during 1983 and '84.[7] The large differences in the two studies' findings could have been due to the fact that the GAO specifically surveyed larger companies, who do tend to give more advanced notice of plant closings and layoffs.

The two surveys' findings, nevertheless, gave support to a variety of interest groups (e.g., organized labor, mayors of affected cities) who were lobbying Congress to enact legislation that would give workers and local communities some lead time to find new work or attract new business. And in 1985 and '87, Congress introduced legislation that attempted to not only offer advance notification of plant closings and layoffs, but also force companies to use procedures for avoiding job losses.

Those bills, however, failed to gain enough support to pass both houses, let alone an expected veto from then President Reagan, who opposed laws he believed overregulated business. Some of the provisions found objectionable in the '85 and '87 legislation were: advance-warning periods ranging from 90 to 180 days, considered too long because it would limit business flexibility; bureaucratic oversight and enforcement — with its attending costs — of advanced-warning provisions; and consultation and sharing of information between employer and employee to identify ways to avoid a layoff or closing, considered too intrusive by business.[8]

In 1988, however, a showdown emerged between Congress and Reagan. Early in the year, the President successfully vetoed trade legislation passed by Congress that contained early-notification provisions, even though the advanced-warning provisions were far-less stringent than those considered in '85 and '87. But Congress fought back by uncoupling the early notification section from the trade law, and with growing

public support for an advanced-warning law, was able to pass WARN in August with enough votes to override a potential veto.

Because of possible repercussions in a presidential election year, Reagan allowed the bill to become law without his signature, but still voiced his opposition in a presidential statement. "Workers should be given as much notice as possible when a business is forced to resort to layoffs, or to close altogether. ... But the Federal government's mandating that businesses under virtually all conditions must give 60-day's notice — even if doing so eliminates any chance to save the company — is not a proper course."[9]

Although Reagan was unhappy with WARN's passage, he and those opposing advance notification may not have lost as much as his statement indicated. Major concessions along the way limited WARN's power and possibly its effectiveness (see below, "Effectiveness of WARN"). "The plant-closing legislation was weakened considerably during the process and the measure in its present form allows exemptions that could reduce its impact on ... businesses," said a *Washington Post* article at the time of its passage.[10]

In addition, almost immediately after WARN passed, legislation was approved to help workers affected by major layoffs — the Employment Dislocation Worker Assistance Act (EDWAA) (see next month's issue) — which likely made early notification more palatable to those opposing WARN. Because by helping workers to re-enter the workforce more quickly, employers' unemployment insurance costs would likely be reduced.

Reasons For, Against Early Notice

When advanced-notification laws were being debated, those for and against it agreed that advanced notification of major layoffs and plant closings was the "ideal situation," but the sides parted when it came to

DOL Brochure Gives Details of WARN Law

The following material on the Worker Adjustment and Retraining Notification Act (WARN) is reprinted in part from a brochure titled, "A Guide to Advance Notice of Closings and Layoffs," produced by the U.S. Department of Labor's Employment and Training Administration. At the end is an address and phone number to contact that department for additional information.

General Provisions

The Worker Adjustment and Retraining Notification Act, Public Law 100-379 (29 U.S.C. 2101, et seq.) offers protections to workers, their families, and communities by requiring employers to provide notice 60 days in advance of covered plant closings and covered mass layoffs.

Employer Coverage

In general, employers are covered by WARN if they have 100 or more employees, not counting employees who have worked less than six months in the last 12 months and not counting employees who work an average of less than 20 hours a week. Private, for-profit employers and private, nonprofit employers are covered, as are public and quasi-public entities which operate in a commercial context and are separately organized from the regular government. Regular federal, state, and local government entities which provide public services are not covered.

Employee Coverage

Employees entitled to notice under WARN include hourly and salaried workers, as well as managerial and supervisory employees. Business partners are not entitled to notice.

What Triggers Notice

Plant Closing: A covered employer must give notice if an employment site (or one or more facilities or operating units within an employment site) will be shut down, and the shutdown will result in an employment loss (as defined later) for 50 or more employees during any 30-day period. This does not count employees who have worked less than six months in the last 12 months or employees who work an average of less than 20 hours a week for that employer. These latter groups, however, are entitled to notice (discussed later).

Mass Layoff: A covered employer must give notice if there is to be a mass layoff which does not result from a plant closing, but which will result in an employment loss at the employment site during any 30-day period for 500 or more employees, or for 50-499 employees if they make up at least 33 percent of the employer's active workforce. Again, this does not count employees who have worked less than six months in the last 12 months or employees who work an average of less than 20 hours a week for that employer. These latter groups, however, are entitled to notice

Exemptions

An employer does not need to give notice if a plant closing is the closing of a temporary facility, or if the closing or mass layoff is the result of the completion of a particular project or undertaking. This exemption applies only if the workers were hired with the understanding that their employment was limited to the duration of the facility, project or undertaking. An employer cannot label an ongoing project "temporary" in order to evade its obligations under WARN.

An employer does not need to provide notice to strikers or to workers who are part of the bargaining unit(s) which are involved in the labor negotiations that led to a lockout when the strike or lockout is equivalent to a plant closing or mass

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making advance notification mandatory.

Those pro and con put forth a number of reasons for their views, and many of those reasons are provided in this section. But overall, the justification for an advance-notice law came down to an issue of fairness (e.g., time to find another job), while for those opposed to WARN, economic costs — from administering WARN to penalties — were the major themes.

Some of the reasons given for advance notification were:

- that it gives companies, labor, and government agencies time to plan and develop adjustment-assistance programs.
- when it's used in conjunction with programs such as EDWAA, it can reduce employers' costs by getting laid-off workers into the workforce more quickly and reducing employers' unemployment insurance costs.
- related to the just-mentioned reason, displaced workers are more likely to participate in job-assistance projects that begin before a job loss. " ... it is difficult even to let workers know that help is available after they are out of work and out of touch," said a GAO report.[11]
- whether or not they take advantage of adjustment services, it helps benefit people, by giving workers a chance to develop their own job-hunting or training options, or to adjust financial or other family plans.
- it helps maintain the morale and loyalty of remaining workers and reputation of a company, by showing the company treats its employees fairly. " ... workers are less likely to respond in a punitive manner whey they perceive that their employer recognizes that the layoff and job transition process is a difficult one and the employer is therefore attempting to buffer the impact," said Ruth Fedray, an expert in job displacement.[12]

On the other hand, arguments against mandating advance notification included::

- it inhibits companies' flexibility in a more competitive, worldwide operating market, by committing employers to make a long-term prediction of business conditions
- it is too costly, particularly to medium-sized businesses. Costs incurred by employers include the administrative costs of developing and executing an apparatus to monitor and forecast market conditions, as well as the administrative costs to provide notice, and costs of penalties. In a 1988 report by Robert R. Nathan Associates, it was estimated that if the WARN law had been in effect in 1983 and '84, it would have cost businesses $1.8 billion each year.[13]
- advance notice "could worsen the conditions that led to the notice and make a firm's decline inevitable. ... notice that a firm intends to layoff workers or close gives signals to customers and creditors that the firm is in trouble."[14]
- productivity will decline because of a drain of top talent needed for an orderly closure or layoff, which will reduce profits and worsen conditions that led to the announcement. To keep top talent, companies may need to pay bonuses, adding costs. "The difference between employees' current and expected compensation and alternatives available in the market will be narrowed, causing some workers to leave the firm before expiration of the notification period," said the Nathan Associates study.[15]

"Both elements of the compliance mechanism — court enforcement and legal sanctions — pose implementation problems. ... By the time a court acts, it is likely that the closing or layoff has already happened ... ."

—John Portz
Assistant Professor,
Northeastern University

GAO Studying WARN Law

Because WARN has only been in effect a little more than three years, little data has been compiled on the effectiveness of the law (e.g., are companies complying with its provisions?) as well as if it has produced any adverse effects on business. However, results from one study and comments by several state and federal officials appear to suggest that WARN is providing only limited protection for workers and has caused a large amount of confusion in several areas for all parties involved — business, workers, and government agencies. Another study of WARN by the GAO, due out this summer, should give more insight into the overall affects of WARN.

In a recent report by a Northeastern University political scientist, state officials said "loopholes" in WARN, inadequate enforcement provisions, and its overall vagueness have made it easy for employers to avoid compliance with the law or unsure or unaware they need to comply, thus limiting WARN's effectiveness. The results of the report, "WARN and the States: Implementation of the Federal Plant Closing Law," are based on comments and data received from 35 state agencies that handle WARN notices.

Of particular concern to state-agency officials were the number and vagueness of "exceptions" allowed under WARN. "'loopholes in the law provides avenues of escape for many employer anticipating layoffs/closures,'"

one official was quoted in the report.16 The net effect of creating broad exemptions, said the study's author, John Portz, has been to make compliance with WARN more difficult to monitor.

One "exception" considered particularly troublesome by state officials — allows employers to give less than 60-days notice for a layoff or plant closing when there are "unforseeable business circumstances," which could cover a broad range of reasons and be subject to broad interpretation. Another exception considered too vague, which has caused some confusion in Arizona, exempts companies from providing notice "if the plant closing involves a temporary facility, or if the closing or mass layoff is the result of the completion of a particular project or undertaking."

The secretary/treasurer of the state's AFL-CIO, Chuck Huggins, believes that one employer in the state was able to avoid issuing WARN notices for the latter exception because the word "temporary" is subject to several interpretations. Huggins believes that projects that technically may be "temporary" are in fact "permanent" as long as funding for the project continues for an indefinite period of time.

Portz says that exceptions, however, are only one problem — and a smaller one at that — with the compliance provisions of WARN. The other is enforcement, which is covered by the courts, not by the government.

In order to determine if a company needs to file a notice, court action must be taken by either a company's union, its workers, or units of local government where the company is located. But the problem with this type of enforcement, Portz says, is the "vacuum" that occurs while the court makes its decision.

"The compliance mechanism is seen by the states as one of the weakest links in the implementation process," Portz says.[17] "Both elements of the compliance mechanism — court enforcement and legal sanctions — pose implementation problems. ... By the time a court acts, it is likely that the closing or layoff has already happened ... ."[18]

Table 1

Reasons For, Against Early Notification Legislation

Reasons For:

- ✓ gives companies, labor, and government agencies time to plan and develop adjustment-assistance programs
- ✓ can reduce employers' costs by getting laid-off workers into the workforce more quickly, thus reducing employers' unemployment insurance costs
- ✓ helps maintain morale and loyalty of remaining workers and reputation of a company by showing the company treats its employees fairly

Reasons Against:

- ✓ inhibits companies' flexibility in a more competitive, worldwide operating market
- ✓ too costly, particularly to medium-sized businesses; costs include administrative costs of developing and executing apparatus to monitor and forecast market conditions, and costs of penalties
- ✓ productivity will decline because of a drain of top talent needed for an orderly closure or layoff

Source: U.S. Office of Technology Assessment, September 1986

Through February 1992, 47 court cases (none in Arizona) had been filed on WARN in federal courts, with less than half resulting in a court decision, the study says. About a half-dozen each have gone in favor of the plaintiffs (e.g., workers) and defendants (e.g., businesses) with several others out on appeal.

The head of the federal office responsible for answering questions about WARN agrees there has been a lot of confusion over WARN's provisions. "It's a very complicated law. Our office has received 20,000 calls about WARN (since the program began)," says Robert Columbo, director of the Labor Department's Office of Worker Readjustment and Retraining Programs. However, Columbo and a brochure put out by his office (see "DOL Brochure Gives Details ... ," p. 3) emphasize that the DOL does not oversee WARN and is limited to giving out only general information on the law.

Possibly because of confusion over WARN, many workers in state agencies that receive WARN notices, believe — correctly or incorrectly — that employers are not filing WARN notices when they are required to, says Lou Ockunzzi, a senior evaluator with the GAO, which recently concluded a study of WARN. Ockunzzi, who would not release any specifics about the report's findings, says the GAO study looked at several aspects of WARN, including the number of WARN notices issued, whether employers were providing notice and in a timely fashion, problems with implementing WARN (e.g., confusing provisions), and court cases.

Pertaining to the WARN notices, the GAO study attempted to measure whether there has been compliance with WARN by comparing the number of WARN notices issued in 1991 with the number of "mass-layoff events" tabulated by BLS' Mass Layoff Statistics (MLS) program (see April 1992

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Brochure Gives Details of WARN Law

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layoff. Non-striking employees who experience an employment loss as a direct or indirect result of a strike and workers who are not part of the bargaining unit(s) which are involved in the labor negotiations that led to lockout are still entitled to notice.

Who Must Receive Notice

The employer must give written notice to the chief elected office of the exclusive representative(s) or bargaining agent(s) of affected employees and to unrepresented individual workers who may reasonably be expected to experience an employment loss. Employees who have worked less than six months in the last 12 months and employees who work an average of less than 20 hours a week are due notice, even though they are not counted when determining the trigger levels.

The employer must also provide notice to the State dislocated worker unit and to the chief elected official of the unit of local government in which the employment site is located.

Notification Period

With three exceptions, notice must timed to reach the required parties at least 60 days before a closing or layoff. The exceptions to 60-day notice are:

(1) Faltering company. This exception, to be narrowly construed, covers situations where a company has sought new capital or business in order to stay open and where giving notice would ruin the opportunity to get the new capital or business, and applies only to plant closings: (2) Unforeseeable business circumstances. This exception applies to closings and layoffs that are caused by business circumstances that were not reasonably foreseeable at the time notice would otherwise have been required; and (3) Natural disaster. This applies where a closing or layoff is the direct result of a natural disaster, such as a flood, earthquake, drought or storm.

Form and Contact of Notice

No particular form of notice is required. However, all notices must be in writing. Any reasonable method of delivery designed to ensure receipt 60 days before a closing or layoff is acceptable.

Penalties

An employer who violates the WARN provision by ordering a plant closing or mass layoff without providing appropriate notice is liable to each aggrieved employee for an amount including back pay and benefits for the period of violation, up to 60 days. The employer's liability may be reduced by such items as wages paid by the employer to the employee during the period of the violation and voluntary and unconditional payments made by the employer to the employee.

An employer who fails to provide notice as required to a unit of local government is subject to a civil penalty not to exceed $500 for each day of violation. This penalty may be avoided if the employer satisfies the liability to each aggrieved employee within three weeks after the closing or layoff is ordered by the employer.

Enforcement of WARN requirements is through the United States district courts. Workers, representatives of employees, and units of local government may bring individual or class-action suits. In any suit, the court, in its discretion, may allow the prevailing party a reasonable attorney's fee as part of the costs.

General questions on the regulations may be addressed to: U.S. Department of Labor, Employment and Training Programs, Office of Job Training Programs, Room N-4703, 200 Constitution Ave., N.W., Washington, D.C. 20210; or call (202) 535-0577

OES Survey Targets Manufacturing, Hospital Sectors

Establishments in the manufacturing, hospital, and agricultural-services industries are the target of the 1992 Occupational Employment Statistics (OES) survey. The OES program is a federal-state cooperative effort that determines current and future demand for occupational employment.

For 16 years, Arizona's OES Unit, which is part of DES, Research Administration, has been collecting data with the support of the Arizona business community. Information from the OES program has become an integral part of Arizona's occupational planning efforts.

Employers, planners, and other users have access to OES data through Arizona's *Occuupational Employment Forecasts*, which are annual publications that present current and future occupational demand data for each county and the state as a whole.

Career guidance counselors, students, and other users also have access to OES data through the MICRO OIS, a statewide microcomputer data base developed by the Arizona State Occupational Information Coordinating Committee (ASOICC). The MICRO OIS is available at more than 200 locations (principally schools) in the state.

Arizona employers selected for this year's survey are asked to help with the success of the program by filling out completely an OES survey form; or if they need help in filling out the form, by calling the OES Unit at (602) 542-3871 (in metro Phoenix); or toll free outside the Phoenix area at (800) 321-0381.

—Jim Heigle,
Arizona OES Supervisor

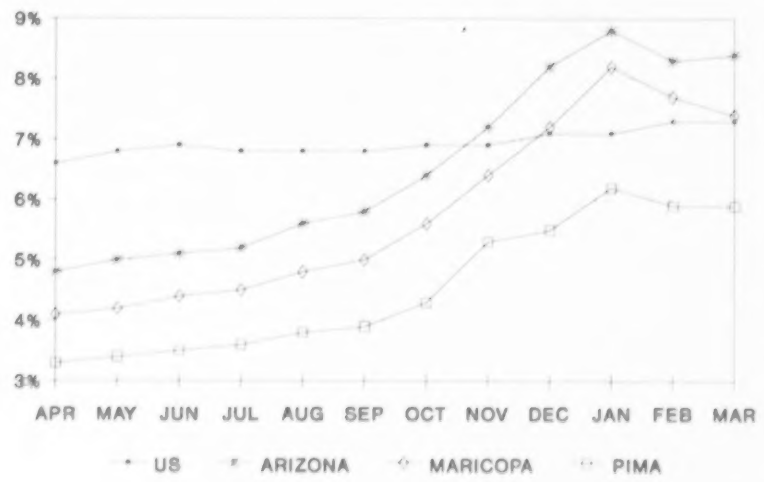
Unemployment Rate Edged Up Slightly to 8.4% in March

Arizona's seasonally adjusted unemployment rate in March edged up one-tenth of a percentage point to 8.4 percent from February's rate of 8.3 percent. This makes the fifth-consecutive month Arizona's unemployment rate had been above the corresponding national figure, which remained unchanged in March at 7.3 percent.

At the substate level, Maricopa County's unemployment rate declined three-tenths of a percentage point in March to a seasonally adjusted rate of 7.4 percent. Pima County's rate, on the other hand, held steady in March at 5.9 percent.

Figure 1

U.S., Arizona, Maricopa County, and Pima County Unemployment Rates (Seasonally Adjusted), April 1991-March 1992



Source: Arizona Dept. of Economic Security, Research Administration, April 1992

The number of people unemployed increased statewide by about 3,800 in March, which follows a decrease of 8,300 in February. Both Maricopa and Pima counties experienced slight over-the-month increases in the number of unemployed. But Yuma County, where various seasonal harvesting operations were winding down, had the bulk of the unemployment increase, up nearly 3,000.

Arizona non-farm wage and salary employment in March showed an increase of 5,400, its second-consecutive monthly increase. But despite the positive news, the job gain was the smallest February-to-March increase since the recession year of 1982. As for the state's two largest metropolitan areas, Maricopa County added 3,100 non-farm payroll positions in March and Pima County added 1,000 jobs.

Arizona construction employment showed signs of improvement in March with a gain of 1,500 jobs. Most of the increase came in special trades (e.g., masonry work, electrical work), up nearly 1,200 jobs and accounting for more than 80 percent of total construction gains.

The over-the-month construction employment increase of about 2 percent may well signal an important turnaround in Arizona's construction industry. Supporting this conclusion is the fact that for the first time since August 1986, Arizona had an over-the-year increase in construction employment; if only a meager eight-tenths of one percent.

The state's two major metropolitan areas both experienced gains in construction employment, particularly in areas related to an improving housing market. Maricopa County added 1,100 positions, most of which were in special trades.

Manufacturing Still Sluggish

Manufacturing employment in Arizona, however, continued its downward trend in March (-700) as over-the-year manufacturing employment losses have occurred each month since January 1990. And last month every category within durable and non-durable goods had over-the-year losses, except for lumber and wood products.

The finance, insurance, and real estate (FIRE) group showed a modest employment increase in March, but this followed losses in the prior two months. Here, the gains were in the combined real estate and insurance sector, while declines continued in the finance industry. Not surprisingly, the real estate sector is showing enhanced market activity as consumers begin to take advantage of lower interest rates and higher home affordability.

Arizona's services industry increased employment for the second month in a row, adding 2,800 workers in March. Business services contributed the largest share of the employment gains. In both Maricopa and Pima counties, employment in business services showed fairly strong monthly and over-the-year gains with over-the-month increases for March of 1,900 and 500, respectively.

Although showing an over-the-year increase, Arizona's trade employment declined in March by one-tenth of a percent. A small gain of 200 jobs in Pima County was offset by a loss of 600 jobs in Maricopa County. In Maricopa County, wholesale trade lost 100 jobs and retail trade, 500.

Government employment increased by 1,500 in March, primarily due to

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Table 1
Arizona Labor Force, Employment, and Unemployment Data, March 1992[a]

(In Thousands)

	Mar. 1992[b]	Feb. 1992[c]	Mar. 1991	Monthly/Yearly Change: Feb. '92 - Mar. '92	Monthly/Yearly Change: Mar. '91 - Mar. '92
Total Civilian Labor Force[d]	1726.0	1720.3	1696.3	5.7	29.7
Total Unemployment	145.8	142.0	80.4	3.8	65.4
Unemployment Rate	8.4%	8.3%	4.7%	—	—
Unemployment Rate (Seasonally Adjusted)[e]	8.4%	8.3%	4.8%	—	—
Total Employment	1580.2	1578.3	1615.9	1.9	-35.7
Total Wage and Salary Employment[f, g]	1510.0	1504.6	1507.4	5.4	2.6
Private Sector	1224.1	1220.2	1227.5	3.9	-3.4
Government	285.9	284.4	279.9	1.5	6.0
Goods-Producing Industries	259.3	258.4	268.0	0.9	-8.7
Manufacturing	168.8	169.5	179.1	-0.7	-10.3
Total Durable Goods	125.0	125.9	135.4	-0.9	-10.4
Stone, Clay, and Glass	5.1	5.1	5.6	0.0	-0.5
Primary and Fabricated Metals	13.4	13.3	14.1	0.1	-0.7
Primary Metals	5.6	5.6	5.9	0.0	-0.3
Fabricated Metals	7.8	7.7	8.2	0.1	-0.4
Machinery	52.5	53.0	56.9	-0.5	-4.4
Aircraft and Missiles	23.6	24.0	27.7	-0.4	-4.1
Lumber and Wood Products (Excluding Furniture)	6.3	6.3	6.1	0.0	0.2
Total Nondurable Goods	43.8	43.6	43.7	0.2	0.1
Food and Kindred Products	10.1	10.0	9.6	0.1	0.5
Printing and Publishing	15.5	15.5	15.8	0.0	-0.3
Mining and Quarrying	14.1	14.0	13.3	0.1	0.8
Copper Mining	11.7	11.6	10.8	0.1	0.9
Construction	76.4	74.9	75.6	1.5	0.8
Service-Producing Industries	1250.7	1246.2	1239.4	4.5	11.3
Transportation, Communication, and Public Utilities	80.0	79.7	81.8	0.3	-1.8
Transportation	45.4	45.4	46.2	0.0	-0.8
Communications and Public Utilities	34.6	34.3	35.6	0.3	-1.0
Trade	373.5	373.7	372.9	-0.2	0.6
Total Wholesale Trade	75.0	75.0	74.3	0.0	0.7
Total Retail Trade	298.5	298.7	298.6	-0.2	-0.1
General Merchandise and Apparel	48.8	49.2	48.4	-0.4	0.4
Food Stores	51.1	51.5	50.3	-0.4	0.8
Automotive and Service Stations	34.5	34.3	33.6	0.2	0.9
Eating and Drinking Places	105.6	104.7	106.5	0.9	-0.9
Finance, Insurance, and Real Estate	91.4	91.3	92.6	0.1	-1.2
Services and Miscellaneous	419.9	417.1	412.2	2.8	7.7
Hotels and Lodging Places	40.5	40.3	41.2	0.2	-0.7
Business Services	87.0	85.4	82.1	1.6	4.9
Health Services	108.4	108.3	105.3	0.1	3.1
Government	285.9	284.4	279.9	1.5	6.0
Federal	44.6	44.8	44.1	-0.2	0.5

Notes and Source: See Table 3

Table 2
Maricopa County Labor Force, Employment, and Unemployment Data, March 1992[a]

(In Thousands)

	Mar. 1992[b]	Feb. 1992[c]	Mar. 1991	Monthly/Yearly Change: Feb. '92 - Mar. '92	Monthly/Yearly Change: Mar. '91 - Mar. '92
Total Civilian Labor Force[d]	**1050.3**	**1048.6**	**1051.2**	**1.7**	**-0.9**
Total Unemployment	**78.4**	**77.4**	**43.4**	**1.0**	**35.0**
Unemployment Rate	**7.5%**	**7.4%**	**4.1%**	—	—
Unemployment Rate (Seasonally Adjusted)[e]	**7.4%**	**7.7%**	**4.1%**	—	—
Total Employment	**971.9**	**971.2**	**1007.8**	**0.7**	**-35.9**
Total Wage and Salary Employment[f, g]	**984.3**	**981.2**	**992.3**	**3.1**	**-8.0**
Private Sector	762.6	763.0	775.6	-0.4	-13.0
Government	146.9	146.2	144.1	0.7	2.8
Goods-Producing Industries	**405.3**	**406.0**	**419.2**	**-0.7**	**-13.9**
Manufacturing	**126.4**	**126.7**	**134.7**	**-0.3**	**-8.3**
Total Durable Goods	95.1	95.6	103.5	-0.5	-8.4
Stone, Clay, and Glass	2.9	2.8	3.3	0.1	-0.4
Primary and Fabricated Metals	9.2	9.2	9.8	0.0	-0.6
Machinery	43.9	44.1	47.5	-0.2	-3.6
Total Nondurable Goods	31.3	31.1	31.2	0.2	0.1
Food and Kindred Products	7.2	7.2	7.0	0.0	0.2
Printing and Publishing	10.9	10.9	11.1	0.0	-0.2
Mining and Quarrying	**0.7**	**0.7**	**0.7**	**0.0**	**0.0**
Construction	**50.6**	**49.5**	**49.5**	**1.1**	**1.1**
Service-Producing Industries	**806.6**	**804.3**	**807.4**	**2.3**	**-0.8**
Transportation, Communication, and Public Utilities	**55.5**	**55.3**	**58.8**	**0.2**	**-3.3**
Transportation	33.2	33.0	35.4	0.2	-2.2
Communications and Public Utilities	22.3	22.3	23.4	0.0	-1.1
Trade	**245.7**	**246.3**	**249.1**	**-0.6**	**-3.4**
Total Wholesale Trade	56.6	56.7	57.6	-0.1	-1.0
Total Retail Trade	189.1	189.6	191.5	-0.5	-2.4
General Merchandise and Apparel	31.1	31.5	30.9	-0.4	0.2
Food Stores	32.5	32.8	32.5	-0.3	0.0
Automotive and Service Stations	21.3	21.2	20.8	0.1	0.5
Eating and Drinking Places	68.0	67.4	69.2	0.6	-1.2
Finance, Insurance, and Real Estate	**73.0**	**72.9**	**74.1**	**0.1**	**-1.1**
Services and Miscellaneous	**285.5**	**283.6**	**281.3**	**1.9**	**4.2**
Hotels and Lodging Places	24.9	24.9	25.5	0.0	-0.6
Business Services	70.4	69.1	66.5	1.3	3.9
Health Services	70.0	70.0	68.2	0.0	1.8
Government	**146.9**	**146.2**	**144.1**	**0.7**	**2.8**

Notes and Source: See Table 3

Table 3
Pima County Labor Force, Employment, and Unemployment Data, March 1992[a]

(In Thousands)

	Mar. 1992[b]	Feb. 1992[c]	Mar. 1991	Monthly/Yearly Change: Feb. '92 - Mar. '92	Monthly/Yearly Change: Mar. '91 - Mar. '92
Total Civilian Labor Force[d]	321.0	320.6	308.0	0.4	13.0
Total Unemployment	18.8	18.7	10.5	0.1	8.3
Unemployment Rate	5.9%	5.8%	3.4%	—	—
Unemployment Rate (Seasonally Adjusted)[e]	5.9%	5.9%	3.4%	—	—
Total Employment	302.2	301.9	297.5	0.3	4.7
Total Wage and Salary Employment[f, g]	267.1	266.1	260.6	1.0	6.5
Private Sector	203.0	202.3	199.0	0.7	4.0
Government	64.1	63.8	61.6	0.3	2.5
Goods-Producing Industries	40.6	40.8	41.2	-0.2	-0.6
Manufacturing	23.8	24.2	25.2	-0.4	-1.4
Total Durable Goods	18.6	19.0	19.9	-0.4	-1.3
Total Non-durable Goods	5.2	5.2	5.3	0.0	-0.1
Mining and Quarrying	2.3	2.3	2.2	0.0	0.1
Construction	14.5	14.3	13.8	0.2	0.7
Service-Producing Industries	226.5	225.3	219.4	1.2	7.1
Transportation, Communication, and Public Utilities	10.7	10.6	9.3	0.1	1.4
Transportation	6.1	6.1	4.9	0.0	1.2
Communications and Public Utilities	4.6	4.5	4.4	0.1	0.2
Trade	62.7	62.5	60.9	0.2	1.8
Total Wholesale Trade	9.0	9.1	8.8	-0.1	0.2
Total Retail Trade	53.7	53.4	52.1	0.3	1.6
General Merchandise and Apparel	7.9	7.9	7.7	0.0	0.2
Food Stores	8.3	8.2	8.2	0.1	0.1
Automotive and Service Stations	5.6	5.6	5.4	0.0	0.2
Eating and Drinking Places	19.2	19.1	19.1	0.1	0.1
Finance, Insurance, and Real Estate	11.7	11.6	11.6	0.1	0.1
Services and Miscellaneous	77.3	76.8	76.0	0.5	1.3
Hotels and Lodging Places	7.0	7.0	7.2	0.0	-0.2
Business Services	12.3	12.0	11.3	0.3	1.0
Health Services	23.2	23.1	22.6	0.1	0.6
Government	64.1	63.8	61.6	0.3	2.5

Notes:
a) Data on labor force, total unemployment, total employment, and seasonally adjusted unemployment rate should not be used for economic-assistance programs. Data for conomic-assistance programs are available by contacting DES, Research Administration
b) Preliminary and subject to revision following month
c) Revised
d) Adjusted to Current Population Survey (CPS) to reflect place of residence
e) Normal seasonal variations have been eliminated to reflect underlying trends
f) By place of work; does not include agricultural workers, self-employed, unpaid family members, and domestic workers
g) Detail may not add up correctly due to rounding
h) Rounded to the nearest one-quarter

Source: *Prepared by the Arizona Dept. of Economic Security, Research Administration, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, April 1992*

Table 4

Non-metropolitan Counties' Labor Force, Employment, and Unemployment Data, March 1992[a,b]

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
Total Civilian Labor Force[d]	15,900	36,125	44,650	13,875	8,125	3,375	6,475
Total Unemployment	2,950	3,825	4,875	1,975	875	350	875
Unemployment Rate	18.5%	10.6%	10.9%	14.3%	10.7%	10.3%	13.5%
Unemployment Rate (Seasonally Adjusted)[e]	18.2%	9.9%	10.7%	13.0%	10.6%	10.3%	12.9%
Total Employment	12,950	32,300	39,775	11,900	7,250	3,025	5,600
Total Wage and Salary Employment[f,h]	15,450	26,625	41,550	12,000	5,300	3,400	3,550
Private Sector	9,650	15,050	28,325	8,875	3,050	2,825	2,525
Government	5,800	11,575	13,225	3,125	2,250	575	1,025
Goods-Producing Industries	825	2,200	4,350	3,275	400	2,250	500
Manufacturing	475	1,150	2,975	1,375	200	25	200
Mining and Quarrying	25	75	150	1,150	0	2,000	50
Construction	325	975	1,225	750	200	225	250
Service-Producing Industries	14,625	24,425	37,200	8,725	4,900	1,150	3,050
Transportation, Communications, and Public Utilities	1,675	1,475	3,025	450	150	50	175
Trade	1,675	5,550	10,200	2,600	1,475	325	1,175
Finance, Insurance, and Real Estate	375	625	675	250	125	25	100
Services and Miscellaneous	5,100	5,200	10,075	2,300	900	175	575
Government	5,800	11,575	13,225	3,125	2,250	575	1,025

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
Total Civilian Labor Force[d]	38,975	27,725	39,225	12,275	40,225	67,725
Total Unemployment	4,950	4,675	4,700	1,825	4,250	12,450
Unemployment Rate	12.7%	16.9%	12.0%	14.8%	10.6%	18.4%
Unemployment Rate (Seasonally Adjusted)[e]	12.1%	16.0%	11.7%	21.2%	9.6%	25.2%
Total Employment	34,025	23,050	34,525	10,450	35,975	55,275
Total Wage and Salary Employment[f,h]	27,225	20,725	32,025	11,525	27,500	31,925
Private Sector	22,375	14,250	21,625	9,625	22,475	23,250
Government	4,850	6,475	10,400	1,900	5,025	8,675
Goods-Producing Industries	5,125	3,200	9,025	1,275	5,300	3,200
Manufacturing	2,600	1,525	2,900	950	2,375	1,850
Mining and Quarrying	50	1,025	5,400	0	1,050	25
Construction	2,475	650	725	325	1,875	1,325
Service-Producing Industries	22,100	17,525	23,000	10,250	22,200	28,725
Transportation, Communications, and Public Utilities	1,375	1,475	975	775	1,000	1,375
Trade	8,450	4,275	5,750	5,450	7,875	10,300
Finance, Insurance, and Real Estate	1,200	525	575	275	950	1,050
Services and Miscellaneous	6,225	4,775	5,300	1,850	7,350	7,325
Government	4,850	6,475	10,400	1,900	5,025	8,675

Notes and Source: See Table 3

Table 5

Estimated Hours and Earnings of Production Workers, by Selected Industry Groups, March 1992[a]

Arizona

Industry	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Mar. 1992[b]	Feb. 1992[c]	Mar. 1991	Mar. 1992[b]	Feb. 1992[c]	Mar. 1991	Mar. 1992[b]	Feb. 1992[c]	Mar. 1991
Manufacturing	$443.50	$444.31	$426.30	40.8	40.8	40.6	$10.87	$10.89	$10.50
Aircraft and Missiles	666.58	662.63	655.27	45.1	45.2	45.6	14.78	14.66	14.37
Food and Kindred Products	361.28	353.51	367.06	39.1	38.3	39.3	9.24	9.23	9.34
Primary Metals	480.27	474.32	501.55	38.7	39.2	38.7	12.41	12.10	12.96
Machinery	449.63	454.57	399.80	41.1	41.1	40.1	10.94	11.06	9.97
Copper Mining	629.95	668.93	657.41	43.0	44.3	44.3	14.65	15.10	14.84
Construction	447.60	437.12	439.19	36.9	35.8	37.0	12.13	12.21	11.87
Public Utilities	786.94	755.04	745.20	42.4	41.9	43.2	18.56	18.02	17.25
Retail Trade[d]	276.58	279.26	257.43	32.5	32.7	31.9	8.51	8.54	8.07
Wholesale Trade	395.01	399.31	400.90	37.3	37.6	38.4	10.59	10.62	10.44

Maricopa County

Industry	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Mar. 1992[b]	Feb. 1992[c]	Mar. 1991	Mar. 1992[b]	Feb. 1992[c]	Mar. 1991	Mar. 1992[b]	Feb. 1992[c]	Mar. 1991
Manufacturing	$468.65	$467.58	$449.36	41.4	41.6	41.0	$11.32	$11.24	$10.96
Construction	470.21	464.25	467.69	37.2	36.1	37.9	12.64	12.86	12.34
Retail Trade[d]	294.37	297.23	270.22	33.3	33.7	32.4	8.84	8.82	8.34
Wholesale Trade	401.13	407.43	434.70	37.7	37.9	38.3	10.64	10.75	11.35

Pima County

Industry	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Mar. 1992[b]	Feb. 1992[c]	Mar. 1991	Mar. 1992[b]	Feb. 1992[c]	Mar. 1991	Mar. 1992[b]	Feb. 1992[c]	Mar. 1991
Manufacturing	$399.38	$413.90	$400.53	38.0	38.9	39.5	$10.51	$10.64	$10.14
Construction	392.41	386.28	386.24	36.2	35.8	35.5	10.84	10.79	10.88
Public Utilities	646.66	654.12	618.10	42.1	41.4	41.4	15.36	15.80	14.93

Notes: a) Estimates are based on a sample of full- and part-time production and related workers whose payroll and hours are reported for the pay period that includes the 12th of the month
b) Preliminary and subject to revision following month
c) Revised
d) Excludes eating and drinking places

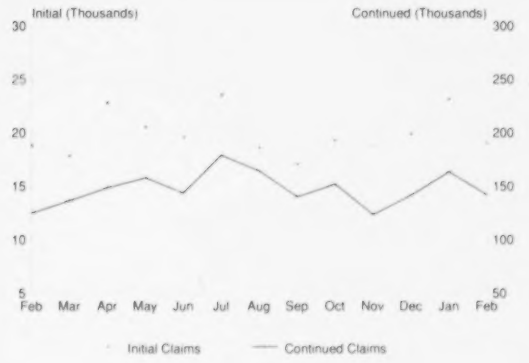
Source: *Prepared by the Arizona Dept. of Economic Security, Research Administration, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics, April 1992*

ARIZONA LABOR MARKET INDICATORS

"Arizona Labor Market Indicators," a quick glimpse at data relevant to Arizona's job market, will appear most months in *Arizona Economic Trends*. Some of the data that had appeared each month in the *Arizona Labor Market Information Newsletter*, such as the U.S. and Phoenix-area consumer price indices, will appear at least once a quarter in *Arizona Economic Trends*. If you need this information more frequently, contact Research Administration at 542-3871.

Figure 1

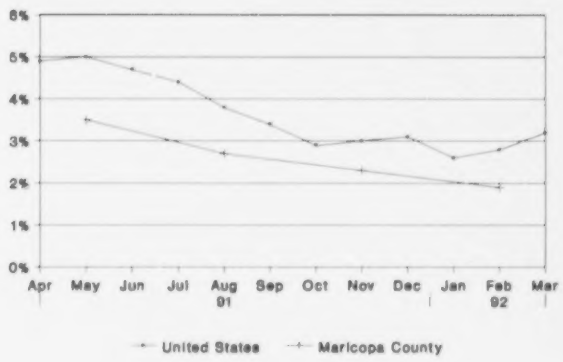
Arizona Continued and New Unemployment Insurance Claims, February 1992



Source: Arizona Dept. of Economic Security, Research Administration, February 1992

Figure 2

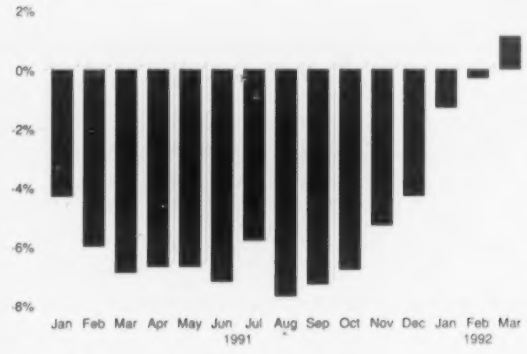
Percentage Change in U.S. (Monthly) and Maricopa County (Quarterly) Consumer Price Indecies, April 1991-March 1992



Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, February 1992; and Arizona State University, Economic Outlook Center

Table 3

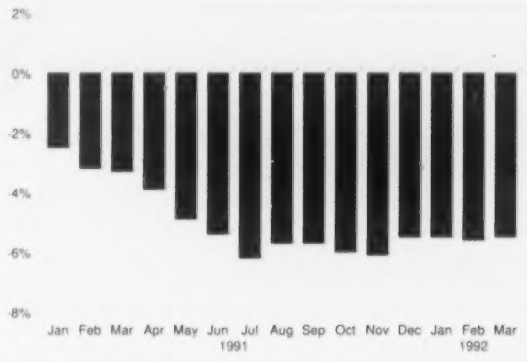
Monthly Over-the-Year Percentage Change in Arizona Construction Employment, January 1991-March 1992



Source:, U.S. Dept. of Labor, Bureau of Labor Statistics, February 1992

Table 4

Monthly Over-the-Year Percentage Change in Arizona Manufacturing Employment, January 1991-March 1992



Source:, U.S. Dept. of Labor, Bureau of Labor Statistics, February 1992

Industry Update

"Industry Update" — featured each month as a service to our readers — is a compilation of public announcements and articles from newspapers and periodicals about business events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of industry news is not feasible. In addition, Arizona Economic Trends is not responsible for incorrect information reported by these sources.

Manufacturing

Fort Howard Co. is considering **the town of Parker and several other cities for a recycled paper plant** that when opened could eventually employ 1,000 full-time workers and have an annual payroll of about $50 million. The plant, which would be built on 250 acres in an area called Parker South, would also produce 2,500 to 3,000 construction jobs for three to four years while the facility is being built and possibly 7,000 service-related and subindustry jobs after the plant is opened. Initial employment would be about 250. A site announcement is expected in June or July.

The **MD Explorer helicopter**, a new rotorless model designed for commercial purposes, **has been OK'd production by McDonnell Douglas Helicopter Co.** Twenty countries have made down payments on 250 MD Explorers, one of two models designed by McDonnell Douglas to fill the gap for the Apache attack helicopter as defense-industry contracts dry up. The company's Mesa facility was expected to eliminate between 800 and 1,000 jobs in 1992, reducing its workforce below 4,000.

A leading maker of disk drives and memory modules for micro-computers plans to **open a manufacturing and sales operation in Phoenix** (3701 E. La Salle St.) by the end of the year. **Microtech International Inc.** of East Haven, Conn., expects to employ between 20 and 30 people.

Allied Color Industry Inc., which makes custom coloring for plastic products, is **moving its operations from Phoenix to Glendale** as part of an expansion plan. The Cleveland-based company expects to employment to double, from 15 to 30, when it moves into a 22,000-square-foot building at Glen Harbor Industrial Park.

Another Valley company stretching its arms is Phoenix-based **Microtest Inc.**, which makes devices that link micro-computer networks. Looking for larger facilities, Microtest **expects employment to increase from about 120 to 160** this year as its revenues are estimated to jump about 50 percent to $30 million in 1992.

In today's political climate, officials that bring "pork" to a community are generally frowned upon. But not in this case. **P.F.F.J. Inc.**, a subsidiary of Clougherty Packing Co. of Los Angeles, announced it will **build a pork-production plant in Snowflake** that is expected to employ 65 workers by 1994 and generate 75 to 100 construction jobs when work on the facility begins in June 1993. P.F.F.J. already runs a smaller sow facility north of Snowflake.

Construction

The **Perini Building Co., Western U.S. Division**, has been chosen **general contractor for a 2,500-room Las Vegas hotel** being developed by Circus Circus Enterprises Inc. The 30-story Luxor Hotel/Casino, which will be shaped like an Egyptian pyramid and cost about $300 million, will produce about 1,500 construction jobs, some of which will come from Perini's workforce in the Phoenix area. Perini, formerly Mardian Construction Co., recently completed the America West Arena in downtown Phoenix.

Pending zoning and City Council approval, a $12 million, **five-star resort, called Crown of Aldbourne, is in the planning stages for Prescott**. A former British citizen who ran a pub by the same name is proposing to build 120 thatched-roof cottages on 17 acres, along with a 9-hole executive golf course, swimming pool, and tennis courts.

Trade

Wal-Mart Stores Inc. will begin construction this year on a 1.5 million-square-foot **distribution center in Buckeye** to hold goods it imports from foreign countries until ready for shipment to Wal-Mart stores. The massive facility, expected to employ about 70 people, will be on 140 acres of farmland at Watson Road and Southern Avenue. The Arkansas-based retailer chose the Buckeye location because its in a foreign-trade zone, which allows businesses to hold off paying duty on goods until they are shipped out of the zone.

Broadway Southwest will **shut its doors at Chris-Town Mall in Phoenix** by August for a variety of reasons, among them poor sales. The store's nearly 170 employees, however, are expected to be offered jobs at other locations in the Valley. Carter Hawley Hale Stores Inc. of Los Angeles, parent company of Broadway Southwest, has been under bankruptcy protection and cutting back its operations.

Kmart Corp. is **building a 107,000-square-foot store in Prescott Valley** on Highway 69 at Lake Valley Road. The new location, part of nationwide expansion plan, is expected to open in July.

Sears, Roebuck and Co. plans to eliminate 100 jobs from its regional accounting center at The Colonnade Mall in Phoenix sometime in 1993. The move is part of national reorganization plan that will cut more than 40,000 jobs.

Services

Harkins Theaters plans to **build a multi-cinema complex at Third and Fillmore streets**, near the Arizona Center shopping complex. Scottsdale-based Harkins will have either 10 to 12 screens in the $4.5 million complex with one theater featuring 800 seats, the same size its Cine Capri Theater, the Valley's largest.

WARN Set Up to Give Advance Notice of Layoffs

(continued from page 5)
issue of *Arizona Economic Trends*). Although WARN and the MLS program have different triggering mechanisms and thresholds for defining a mass layoff, the GAO and BLS worked out a system to filter out the programs' differences and come up with comparable data, Ockunzzi says.[19]

In a less scientific way, Portz' study compiled data on WARN notices for the first two years of the program and compared it to MLS data in an attempt to gain a general sense of whether companies were providing advance warning. The study's results tended to support views from state officials that the number of WARN notices being filed were not corresponding to what was occurring in the economy, Portz says, showing that in only about three-fifths of cases where the MLS program showed there were mass layoffs, did states receive WARN notices.

Using Portz' system of analysis for Arizona alone, the state's ratio of WARN notices to MLS events for the two-year period analyzed shows much lower ratios than the national average. For both the 1989-90 program year (7/1-89-6/30/90) and 1990-91 program year (7/1/90-6/30/91), Arizona had 22 WARN notices filed with the state Dislocated Worker Unit. During those same periods, there were 73 and 93 MLS events recorded, giving the state ratios of .30 and .24 for those two-year periods, respectively.

However, those low ratios are quite misleading and should not be interpreted to mean there has been lack of compliance in Arizona. Because, as pointed out in the May issue of *Arizona Economic Trends*, about 50 percent of the state's MLS events in the calendar years of 1990 and 1991 were due to seasonal factors, a much higher percentage than nationally. And seasonal businesses, by their temporary nature of work, would not likely require the filing of WARN notices.

Finally, in regards to the speculated economic costs or other potential problems brought out before WARN was passed, officials from the U.S. and Arizona chambers of commerce say they have heard little or no complaints about WARN regarding those issues. However, the manager of Human Resources, Policy, and Law for the U.S. Chamber of Commerce, Peter Edie, says that lack of complaints does not necessarily mean that businesses haven't had a number of problems with WARN, and the nearly 50 court cases — and their attended costs — are a possible area of concern. Also, the GAO report is expected to shed light on problems brought out by business.

—Brent Fine
Arizona Economic Trends Editor

Notes:

1. "Plant Closing: Advance Notice and Rapid Response—Special Report," U.S. Congress, Office of Technology Assessment, September 1986, Appendix B: State and Local Advance Notice Programs, pp. 56-60.
2. "President Yields on Layoffs Bill," *Associated Press* article published in *The Arizona Republic*, Aug. 3, 1988, p. A6.
3. "Plant-closing law loophole mulled," Baltimore Sun article published in *The Phoenix Gazette*, Aug. 3, 1988, p. A3.
4. "Plant Closing: Advance Notice and Rapid Response—Special Report," U.S. Congress, Office of Technology Assessment, September 1986, Appendix B: State and Local Advance Notice Programs, p 1.
5. Ibid, p. 5.
6. "How often do workers receive advance notice of layoffs?" Sharon P. Brown, *Monthly Labor Review*; U.S. Department of Labor, Bureau of Labor Statistics, June 1987, pp. 13-17.
7. Ibid.
8. "WARN and the States: Implementation of the Federal Plant Closing Law," John Portz, presented at the Annual Meeting of the Midwest Political Science Association, Chicago, Ill., April 1992.
9. "Statement on the Worker Adjustment and

Finance, Insurance, and Real Estate

And then there were none. Arizona's last major locally owned bank, **Valley National Bank**, has been **sold to Banc One Corp. of Columbus, Ohio**, and will be called Banc One Arizona. Pending government approval, the new operations are expected to begin around January 1993. Jobs of the 7,300 Valley employees at 206 offices in Arizona are expected to be secure and expansion may be in the future plans, a Banc One official said. The recent merger of BankAmerica and Security Pacific has increased the stakes in Arizona and likely prompted Valley's sale.

A group led by former baseball Commissioner Peter Ueberroth has agreed to purchase 49 bank branches in Arizona formerly operated by BankAmerica Corp., Security Pacific Bank, and Caliber Bank. If given regulatory approval, Independent Bancorp will take over deposits, loans, and assets for the branches and keep their 400 employees, with the possibility of employment doubling as the bank grows. The deal is expected to close in September.

Mining

Pending government approval, a **Canadian company plans to operate an open-pit copper mine four miles west of Miami** by 1994, which is expected to create up to 225 jobs and have an annual payroll of $7 million to $8 million. **Carolota Copper Co.**, a subsidiary of Cambior Inc. of Montreal, has already invested $2.5 million in the project and plans to spend about $50 million overall to start up the mine, which the company estimates will produce 20,000 to 25,000 tons of a copper a year.

Government

The **city of Phoenix expects to eliminate about 200 jobs** to cover a $13 million to $15 million shortfall when it finalizes its 1992-93 budget in June. The cuts are expected to occur across the board — from police and fire positions to jobs in the parks and recreation department and libraries. The city, which employs about 11,000 workers, has eliminated more than 300 jobs the past 12 months.

Retraining Notification Act," *Public Papers of the Presidents of the United States, Ronald Reagan, 1988-89, Book 2*, Office of the Federal Register, pp. 1009-1010.

10. "Reagan, Bowing to Pressure, Won't Veto Plant-Closing Bill," *Washington Post*, Aug. 2, 1988, p. A1.
11. "Plant Closing: Advance Notice and Rapid Response—Special Report," U.S. Congress, Office of Technology Assessment, September 1986, Appendix B: State and Local Advance Notice Programs, p 2.
12. "Easing the worker's transition from job loss to employment," Ruth H. Fedrau, *Monthly Labor Review*, U.S. Department of Labor, Bureau of Labor Statistics, May 1984, pp. 38-40.
13. "The Private and Public Sector Costs of Proposed Mandatory Advance Notification Legislation," Robert R. Nathan Associates, Inc., Washington D.C., January 1988, PP. 18-22.
14. "Plant Closing: Advance Notice and Rapid Response—Special Report," U.S. Congress, Office of Technology Assessment, September 1986, Appendix B: State and Local Advance Notice Programs, p 2.
15. "The Private and Public Sector Costs of Proposed Mandatory Advance Notification Legislation," Robert R. Nathan Associates, Inc., Washington D.C., January 1988, p. 8.
16. "WARN and the States: Implementation of the Federal Plant Closing Law," John Portz, presented at the Annual Meeting of the Midwest Political Science Association, Chicago, Ill., April 1992, p. 8.
17. Ibid., p. 9.
18. Ibid., p. 9.
19. The Mass Layoff Statistics (MLS) program identifies "mass-layoff events" through unemployment insurance files of initial claimants. An initial claimant is an individual who has just become unemployed, files for U.I. benefits, and has earned enough wages to qualify for some level of benefit payment. For most states, when 50 or more U.I. initial claims are filed against a company in any given contiguous three-week period, it is flagged as potentially having had a major layoff. The employer is then contacted to determine if a mass layoff had occurred, how many employees were laid off, and the reason(s) for the layoff.

Jobless Rate Rose Slightly in March

(continued from page 7)
gains in school-related jobs.

Employment in mining and TCPU (transportation, communications and public utilities) was up slightly over February.

In summary, while the national economy continues to sputter along, Arizona appears to be showing some hints of a rebound. With attractive interest-rate reductions, pent up demand for housing, and an eager-to-work labor force, Arizona's construction employment appears to be showing some signs of improvement. However, defense-related manufacturing continues to exact a toll against employment gains in Arizona with further losses anticipated.

—Don Webbey, RA Economist

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